

***FLORISSANT FIRE PROTECTION DISTRICT***  
***FINANCIAL STATEMENTS***  
***AND***  
***REQUIRED SUPPLEMENTARY INFORMATION***  
***WITH***  
***INDEPENDENT AUDITORS' REPORT***  
***DECEMBER 31, 2019***

**ERICKSON, BROWN & KLOSTER, LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

## TABLE OF CONTENTS

	<b>Page</b>
<b>Independent Auditors' Report</b>	1
<b>Management's Discussion and Analysis</b>	3
<b>Financial Statements</b>	
Statement of Net Position and Governmental Fund Balance Sheet	9
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	10
Statement of Activities and Governmental Fund Revenue, Expenditures and Change in Fund Balances.	11
Reconciliation of the Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances to the Statement of Activities	12
<b>Notes to the Financial Statements</b>	13
<b>Required Supplementary Information</b>	
Schedule of Revenue, Expenditures and Changes in Fund Balance Budget and Actual - Governmental Fund	20



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Florissant Fire Protection District  
Florissant, Colorado

We were engaged to audit the accompanying financial statements of the governmental activities and each major fund of the Florissant Fire Protection District (District), as of and for the year ended December 31, 2019, and the related notes to the financial statements. We were not engaged to audit the financial statements of the aggregate discretely presented component units. These financial statements collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate discretely presented component units.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



**Erikson, Brown & Kloster, LLC**  
*Certified Public Accountants*

**Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Disclaimer
General Fund	Disclaimer

**Basis for Disclaimer of Opinion**

Substantially all of the Districts corroborating evidence in support of the financial statements was unavailable for inspection. The records that remain are not sufficient to permit the application of accounting procedures that would be adequate for us to express an opinion on the accompanying financial statements

**Disclaimer of Opinion**

Because of the significance of the matter described in the “Basis for Disclaimer of Opinion” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the aggregate discretely presented component units of the Florissant Fire Protection District. Accordingly, we do not express an opinion on these financial statements.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on page 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Erikson, Brown & Kloster LLC*

Colorado Springs, Colorado  
January 11, 2022

***MANAGEMENT'S DISCUSSION AND ANALYSIS***

**FLORISSANT FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

This Management's Discussion and Analysis (MD&A) for the year ended December 31, 2019, is designed to provide an overview of the financial activities of the Florissant Fire Protection District (District) during 2019, and the integration of those activities within the long-range programs and planning of the District. The MD&A should be read in conjunction with the District's basic financial statements.

**Background Information**

The Florissant Fire Protection District is a Special District organization under the provisions of the State of Colorado to provide fire suppression and protection and emergency services to the residents and visitors of the District

**Overview of Financial Statements**

The content of this memorandum is intended to serve as an introduction to the District's basic financial statements.

**Government-Wide and Fund Financial Statements**

The Government-wide financial statements (statements of net position and activities) are designed to provide readers with a broad overview of the District's finances using the economic resources measurement focus and accrual basis of accounting. Revenue is recorded when received and expense is paid and recorded when a liability is incurred.

Every fund, within the accounts of the District, is considered an individual fiscal and accounting unit. Each fund contains a self-balancing set of accounts that record cash and/or other assets with related liabilities, obligations, reserves and equities that have been specified for individual activities or objectives.

The District used a general fund to monitor its financial resources in 2019. The District adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided to demonstrate compliance with the accepted budget.

**FLORISSANT FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

Comparative statements of net position and comments relating to significant changes for 2019 and 2018 is as follows:

	<b>Condensed</b>		
	<b>Statement of Net Position</b>		
	<b>2019</b>	<b>2018</b>	<b>Increase</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Decrease)</b>
<b>Assets</b>			
Current	\$ 797,787	\$ 883,546	\$ (85,759)
Capital Assets (Net of Depreciation)	593,796	533,266	60,530
<b>Total Assets</b>	<b>\$ 1,391,583</b>	<b>\$ 1,416,812</b>	<b>\$ (25,229)</b>
<b>Liabilities</b>			
Current	\$ 172,625	\$ 43,966	\$ 128,659
<b>Total Liabilities</b>	<b>172,625</b>	<b>43,966</b>	<b>128,659</b>
<b>Deferred Inflows of Resources</b>			
Unearned Tax Revenue	366,303	299,060	67,243
<b>Net Position</b>			
Investment in Capital Assets Net of Related Debt	593,796	469,306	124,490
Restricted for Emergencies	18,000	19,000	(1,000)
Unrestricted	240,859	551,256	(310,397)
<b>Total Net Position</b>	<b>\$ 852,655</b>	<b>\$ 1,039,562</b>	<b>\$ (186,907)</b>

**Current Assets**

Current assets decreased due to cash and cash equivalents decreasing approximately \$85,800.

**Capital Assets (Net of Depreciation)**

Capital assets net of depreciation increased due to additions of \$108,500 and depreciation expense of approximately \$48,000.

**Liabilities**

Current liabilities increased due to purchase of Bunker Gear to be reimbursed by grants and payroll taxes not paid.

**FLORISSANT FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

Comparative statements of activities and comments relating to significant changes for 2019 and 2018 are as follows:

	<b>Condensed</b>		
	<b>Statement of Activities</b>		
	<b>2019</b>	<b>2018</b>	<b>Increase</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Decrease)</b>
<b>Revenue</b>			
Program Revenue			
Deployment Reimbursements, Net	\$ (10,425)	\$ (6,466)	\$ (3,959)
Operating Grants and Contributions	39,886	25,995	13,891
General Revenue			
Property Tax	298,585	320,615	(22,030)
Specific Ownership Tax	36,121	30,670	5,451
Investment Income	820	2,227	(1,407)
Recoveries	18,346	500	17,846
In-Kind	45,200	-	45,200
Other Revenue	13,392	1,584	11,808
<b>Total Revenue</b>	<b>441,925</b>	<b>375,125</b>	<b>66,800</b>
<b>Expense</b>			
Administrative	151,004	132,573	18,431
Supplies, Maintenance and Utilities	429,858	53,173	376,685
Depreciation	47,971	32,256	15,715
Debt Service Interest	-	7,728	(7,728)
<b>Total Expense</b>	<b>628,833</b>	<b>225,730</b>	<b>403,103</b>
<b>Change in Net Position</b>	<b>\$ (186,908)</b>	<b>\$ 149,395</b>	<b>\$ (336,303)</b>

**Revenue**

Revenue increased because of increased grant money and increase in in-kind contributions.

**Expense**

Expenses increased due to purchases of Firefighting equipment, a new truck, repairs and maintenance and new Audio Visual Equipment.

**FLORISSANT FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

An analysis of 2019 budgeted amounts follows:

	<b>Budgeted Amounts</b>		<b>Change</b>
	<b>Original</b>	<b>Final</b>	
<b>Revenue</b>			
Property Tax	\$ 298,866	\$ 298,866	\$ -
Specific Ownership Tax	24,000	24,000	-
Operating Grants and Contributions	6,000	6,000	-
Deployment Reimbursements	14,000	14,000	-
Recoveries	750	750	-
Investment Income	575	575	-
Other Income	1,500	1,500	-
Transfer from Reserve	76,952	76,952	-
<b>Total Revenue</b>	<b>422,643</b>	<b>422,643</b>	<b>-</b>
<b>Operating Expenditures</b>			
Administrative	152,319	152,319	-
Equipment Repairs and Maintenance	9,500	9,500	-
Station Maintenance and Supplies	19,700	19,700	-
New Equipment and Supplies	113,500	113,500	-
Training and Education	11,750	11,750	-
Utilities	25,100	25,100	-
Vehicles	22,020	22,020	-
Debt Service			
Principal	60,877	60,877	-
Interest	7,877	7,877	-
<b>Total Expenditures</b>	<b>\$ 422,643</b>	<b>\$ 422,643</b>	<b>\$ -</b>

There was no modification to the original budget adopted.

**FLORISSANT FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

A comparison of the final budget (non-GAAP basis) and actual budgetary basis, with comments concerning significant variances for 2019 is as follows:

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenue</b>				
Property Tax	\$ 298,866	\$ 298,866	\$ 298,585	\$ 281
Specific Ownership Tax	24,000	24,000	36,121	(12,121)
Operating Grants and Contributions	6,000	6,000	39,886	(33,886)
Deployment Reimbursements	14,000	14,000	(10,425)	24,425
Recoveries	750	750	18,346	(17,596)
Investment Income	575	575	820	(245)
In-Kind	-	-	45,200	(45,200)
Other Income	1,500	1,500	11,365	(9,865)
Transfer from Reserve	76,952	76,952	-	76,952
<b>Total Revenue</b>	<u>422,643</u>	<u>422,643</u>	<u>439,898</u>	<u>(17,255)</u>
<b>Operating Expenditures</b>				
Administrative	152,319	152,319	130,476	21,843
Equipment Repairs and Maintenance	9,500	9,500	8,794	706
Station Maintenance and Supplies	19,700	19,700	73,258	(53,558)
New Equipment and Supplies	113,500	113,500	86,480	27,020
Training and Education	11,750	11,750	7,566	4,184
Utilities	25,100	25,100	27,520	(2,420)
Vehicles	22,020	22,020	88,413	(66,393)
Capital Outlay	-	-	6,800	(6,800)
Debt Service				-
Principal	60,877	60,877	-	60,877
Interest	7,877	7,877	-	7,877
<b>Total Expenditures</b>	<u>422,643</u>	<u>422,643</u>	<u>429,307</u>	<u>(6,664)</u>
<b>Revenue Over (Under)</b>				
<b>Expenditures (Non-GAAP Basis)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,591</u>	<u>\$ (10,591)</u>

**Variance with Final Budget**

The District received more deployment reimbursements, grants, and donations than budgeted. The District spent more on deployment expenses and capital outlays than budgeted.

**FLORISSANT FIRE PROTECTION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2019**

**Requests for information**

Additional information or questions may be addressed by contacting The Florissant Fire Protection District at Post Office Box 502, Florissant, CO 80816.

***FINANCIAL STATEMENTS***

**FLORISSANT FIRE PROTECTION DISTRICT**  
**STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET**  
**DECEMBER 31, 2019**

	<b>Governmental Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 420,434	\$ -	\$ 420,434
Cash with County Treasurer	3,031	-	3,031
Property Tax Receivable	366,303	-	366,303
Accounts Receivable	77	-	77
Prepaid Expense	7,942	-	7,942
Capital Assets (Net of Depreciation)	-	593,796	593,796
	<b>\$ 797,787</b>	<b>\$ 593,796</b>	<b>\$ 1,391,583</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Expense	\$ 172,625	\$ -	\$ 172,625
Total Liabilities	172,625	-	\$ 172,625
<b>Deferred Inflows of Resources</b>			
Unearned Tax Revenue	\$ 366,303	\$ -	\$ 366,303
<b>Fund Balances</b>			
Restricted for Emergencies	18,000	(18,000)	-
Nonspendable	7,942	(7,942)	-
Unassigned	232,917	(232,917)	-
Total Fund Balance	258,859	(258,859)	-
Total Liabilities and Fund Balances	<b>\$ 797,787</b>		
<b>Net Position</b>			
Investment in Capital Assets Net of Related Debt		593,796	593,796
Restricted for Emergencies		18,000	18,000
Unrestricted		240,859	240,859
Total Net Position		<b>\$ 852,655</b>	<b>\$ 852,655</b>

See Accompanying Notes

**FLORISSANT FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

<b>Fund Balance Per the Governmental Fund Balance Sheet</b>	<b>\$ 258,859</b>
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**Amounts reported for governmental activities in the statement of net position are different because:**

Capital assets used in government activities are not current financial resources and are not reported as assets in the governmental funds. Capital assets at year end consist of:

Land	\$ 61,701	
Depreciable Assets	1,682,212	
Accumulated Depreciation	<u>(1,150,117)</u>	
Net Capital Assets		593,796

<b>Total Net Position</b>	<b>\$ <u>852,655</u></b>
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See Accompanying Notes

**FLORISSANT FIRE PROTECTION DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUE, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Expenditure/Expense</b>			
Current			
Administrative	\$ 151,004	\$ -	\$ 151,004
Equipment Repairs and Maintenance	8,934	-	8,934
Station Maintenance and Supplies	73,355	-	73,355
New Equipment and Supplies	224,070	-	224,070
Training and Education	7,566	-	7,566
Utilities	27,520	-	27,520
Vehicles	88,413	-	88,413
Depreciation	-	47,971	47,971
Capital Outlay	6,800	(6,800)	-
Total Expenditure/Expense	<u>587,662</u>	<u>41,171</u>	<u>628,833</u>
<b>Revenue</b>			
Program Revenue			
Deployment Reimbursements	(10,425)	-	(10,425)
Operating Grants and Contributions	39,886	-	39,886
Total Program Revenue	<u>29,461</u>	<u>-</u>	<u>29,461</u>
<b>Net Expenditure/Expense</b>	<u>(558,201)</u>	<u>(41,171)</u>	<u>(599,372)</u>
General Revenue			
Property Tax	298,585	-	298,585
Specific Ownership Tax	36,121	-	36,121
Investment Income	820	-	820
Recoveries	18,346	-	18,346
In-Kind	45,200	-	45,200
Other Income	11,442	1,950	13,392
Total General Revenue	<u>410,514</u>	<u>1,950</u>	<u>412,464</u>
<b>Revenue Over Expenditure</b>	(147,687)	147,687	-
<b>Change in Net Position</b>	-	(186,908)	(186,908)
<b>Fund Balance/Net Position</b>			
Beginning of the Year	406,546	633,017	1,039,563
End of the Year	<u>\$ 258,859</u>	<u>\$ 593,796</u>	<u>\$ 852,655</u>

See Accompanying Notes

**FLORISSANT FIRE PROTECTION DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUE,  
EXPENDITURES, AND CHANGE IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2019**

**Total Net Change in Fund Balances - Governmental Funds** \$ (147,687)

**Amounts reported for governmental activities in the statement of activities are different because:**

Capital outlay is reported in the governmental funds as an expenditure. However, in the statement of activities, the cost of acquired assets is allocated over their estimated useful lives as depreciation expense. The detail of capital outlay and depreciation expense follows:

Capital Outlay	\$ 6,800	
Depreciation Expense	<u>(47,971)</u>	
		(41,171)

Repayment of the principal portion of capital lease obligations is an expenditure in the governmental funds, but the payment reduces the long-term debt in the statement of net position.

1,950

**Change in Net Position** \$ (186,908)

See Accompanying Notes

***NOTES TO THE FINANCIAL STATEMENTS***

**FLORISSANT FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization** - The Florissant Fire Protection District (District) uses volunteer firefighters and emergency medical technicians to provide firefighting and emergency medical services to the residents of Teller County, Colorado.

**Financial Reporting Entity** - The District is a special district governed by an elected five-member board. The District applies the criteria set forth in GASB Statement #14, *The Financial Reporting Entity*, to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units based on the elected officials accountability to their constituents, and the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to, fiscal dependency, imposition of will, legal standing, and the primary recipient of services. The District has no component units for which either discrete or blended presentation is required.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles.

The District's annual financial report includes the accounts and funds of all District operations presented in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**Government-Wide Financial Statements** - The Government-wide financial statements (i.e., the statement of net position, and the statement of activities) report information on all of the nonfiduciary activities of the government. The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, is offset by program revenues.

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flow.

**Fund Financial Statements** - The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into the general fund governmental fund type.

**General Fund** - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

**FLORISSANT FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Basis of Accounting** - Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available as a net current asset. Property tax is recorded as unearned revenue when levied even though a portion of the tax may be collected in subsequent years. Property tax is recognized as revenue when the money is available in the following year. Other income is recorded when received in cash because it is generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

**Budget Accounting** - Budgets are prepared in accordance with the requirements of Colorado Revised Statutes and accordingly include "anticipated income and other means of financing proposed expenditures", and expenditures include, in addition to those shown in the operating statements, debt redemptions and capital expenditures. The budget is adopted on the cash basis of accounting, which is a non-GAAP basis.

**Budgets** - The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- A. State law for all funds requires budgets. During September, the proposed budget is submitted to the Board of Directors by the budget officer for the fiscal year commencing the following January 1. The budget includes proposed expenditures and means of financing them.
- B. Public hearings are conducted by the Directors to obtain taxpayer comments.
- C. Prior to December 31, the budget is adopted and appropriations made by formal resolution.
- D. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund or changes in project or department budgets. Budget amounts included in the financial statements are based on the final, legally amended budget.
- E. Budget appropriations lapse at the end of each year.

Accordingly, budget comparisons are of the legally adopted budget. The level of budget control is determined by the resolution appropriating sums of monies. Encumbrances are neither recorded on the books of the District nor included in the budget. The Board of Directors has the authority to make budget amendments.

**FLORISSANT FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Capital Assets** - Capital assets are reported in the government-wide financial statements. Capital assets are defined as assets having an estimated life in excess of one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciable capital assets are depreciated using the straight-line method over estimated useful lives of 3 - 40 years.

**Property Tax/Deferred Revenue** - Upon certification of the amount of levy by the District to Teller County, the County levies the property tax in December of the year prior to the year of collection of the tax. The County also acts as the billing and collection agency for the District. Property tax attaches as a lien on January 1 and may be paid in full by April 30 or in equal installments by February 28 and July 31. The District records the tax as a receivable when it is measurable and an enforceable legal claim attaches to the property. The tax is recognized as revenue when the money is available in the following year.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Position Classifications** - The government-wide financial statements classifies net position in the following categories:

Invested in capital assets, net of related debt - this classification consists of capital assets net of accumulated depreciation and reduced by outstanding related debt that is attributed to the acquisition, construction, or improvement of capital assets.

Restricted net position - this classification consists of restrictions created by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation and constitutional provisions.

Unrestricted net position - this classification represents the remainder of net position that does not meet the definition of “invested in capital assets, net of related debt”, or “restricted net position”.

**FLORISSANT FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Fund Balance Classifications** – Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balances: non-spendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Non-spendable - includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable.

Restricted - includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation.

Committed - includes amounts that can only be used for the specific purposes determined by the passage of a resolution of the District’s Board of Directors. Commitments may be modified or changed only by the District’s Board of Directors approving a new resolution.

Assigned - includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by the District’s Board of Directors to which the assigned amounts are to be used for specific purposes. Assigned amounts include appropriations of existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s balance.

Unassigned - this is the residual classification for the general fund.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications, fund balance is reduced in the order of restricted, committed, assigned and unassigned.

**NOTE 1 – DEPOSITS**

**Deposits** - The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the depository institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Deposits are categorized to give an indication of the risk assumed by the District at the end of the year. Category 1) includes deposits that are insured. Category 2) includes collateralized deposits held by the pledging institution’s trust department or agent in the District’s name. Category 3) includes uncollateralized, uninsured deposits.

**FLORISSANT FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Custodial Credit Risk Deposits** - Custodial credit risk is the risk that in the event of bank failure, the District's deposits will not be returned to it. The District does not currently have a policy related to custodial credit risk. Throughout the year, the District's deposits are in excess of the Federal Deposit Insurance Corporation (FDIC) limit but are not exposed to custodial credit risk because they are collateralized with securities held by the pledging financial institution through the PDPA.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

Cash	\$ 144,440
Money Market Funds	275,994
	<u>\$ 420,434</u>

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets				
Land	\$ 61,701	\$ -	\$ -	\$ 61,701
Buildings	645,756	-	-	645,756
Equipment	268,104	9,200	-	277,304
Vehicles	659,852	99,300	-	759,152
Total Capital Assets	<u>1,635,413</u>	<u>108,500</u>	<u>-</u>	<u>1,743,913</u>
Less Accumulated Depreciation				
Buildings	(227,257)	(17,076)		(244,333)
Equipment	(215,038)	(15,148)		(230,186)
Vehicles	(659,851)	(15,747)		(675,598)
Total Accumulated Depreciation	<u>(1,102,146)</u>	<u>(47,971)</u>	<u>-</u>	<u>(1,150,117)</u>
Capital Assets, Net	<u>\$ 533,267</u>	<u>\$ 60,529</u>	<u>\$ -</u>	<u>\$ 593,796</u>

Depreciation expense for the year ended December 31, 2019 was \$47,971.

**FLORISSANT FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – CAPITAL LEASE OBLIGATIONS**

Assets acquired through capital leases are:

Buildings	\$ 451,391
Accumulated Depreciation	<u>(143,146)</u>
	<u><u>\$ 308,245</u></u>

**NOTE 5 – TAX, SPENDING, AND DEBT LIMITATIONS**

In November 1992, the voters of Colorado approved the Taxpayer's Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments. In general, the TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the District.

Some provisions of TABOR are unclear and will require further judicial interpretation. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs, or to engage in any subsequent financing activities.

TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The statement of net position carries an amount of \$18,000 restricted for emergencies for the year ended December 31, 2029

TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The District believes it has complied with all aspects of the TABOR amendment.

**NOTE 6 – RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are managed through the purchase of commercial insurance.

**NOTE 7 – BUDGET LAW VIOLATION**

During the year ended December 31, 2019, the District's General Fund had excess expenditures over appropriations of approximately \$6,700.

**FLORISSANT FIRE PROTECTION DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – RISKS AND UNCERTAINTIES**

*Coronavirus (COVID-19) Pandemic*

In December 2019, an outbreak of a novel strain of Coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic, and multiple jurisdictions in the U.S. have declared a state of emergency. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on our employees, none of which can be reasonably predicted. At this point, the extent to which COVID-19 may impact the District's financial condition or results of operations is uncertain.

**NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 11, 2022, the date on which the financial statements were available to be issued.

***REQUIRED SUPPLEMENTARY INFORMATION***

**FLORISSANT FIRE PROTECTION DISTRICT  
SCHEDULE OF REVENUE, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP) - GOVERNMENTAL FUND  
YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
<b>Revenue</b>				
Property Tax	\$ 298,866	\$ 298,866	\$ 298,585	\$ 281
Specific Ownership Tax	24,000	24,000	36,121	(12,121)
Operating Grants and Contributions	6,000	6,000	39,886	(33,886)
Deployment Reimbursements	14,000	14,000	(10,425)	24,425
Recoveries	750	750	18,346	(17,596)
Investment Income	575	575	820	(245)
In-Kind	-	-	45,200	(45,200)
Other Income	1,500	1,500	11,365	(9,865)
Transfer from Reserve	76,952	76,952	-	76,952
Total Revenue	<u>422,643</u>	<u>422,643</u>	<u>439,898</u>	<u>(17,255)</u>
<b>Operating Expenditures</b>				
Administrative	152,319	152,319	130,476	21,843
Equipment Repairs and Maintenance	9,500	9,500	8,794	706
Station Maintenance and Supplies	19,700	19,700	73,258	(53,558)
New Equipment and Supplies	113,500	113,500	86,480	27,020
Training and Education	11,750	11,750	7,566	4,184
Utilities	25,100	25,100	27,520	(2,420)
Vehicles	22,020	22,020	88,413	(66,393)
Capital Outlay	-	-	6,800	(6,800)
Debt Service				-
Principal	60,877	60,877	-	60,877
Interest	7,877	7,877	-	7,877
Total Expenditures	<u>422,643</u>	<u>422,643</u>	<u>429,307</u>	<u>(6,664)</u>
<b>Revenue Over Expenditures</b>				
<b>(Non-GAAP Basis)</b>	<u>\$ -</u>	<u>\$ -</u>	10,591	<u>\$ (10,591)</u>
<b>GAAP Adjustments</b>				
Accounts Receivable			77	
Accounts Payable and Accrued Expense			(158,355)	
<b>Revenue Over (Under) Expenditure</b>				
<b>(GAAP Basis)</b>			(147,687)	
<b>Fund Balance</b>				
Beginning of the Year			<u>406,546</u>	
End of the Year			<u>\$ 258,859</u>	